

CHAPTER 2:

SITUATIONAL ANALYSIS



2. BACKGROUND

In terms of section 26 of the Local Government: Municipal Systems Act (Act 32 of 2000), the core components of the Integrated Development Plan (IDP) must reflect, *inter alia*:

- An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs.

In line with the above, section 2(1) of the Local Government: Municipal Planning and Performance Regulations, 2001, further reinforces that a municipality's Integrated Development Plan must at least:

- Identify the institutional framework, which must include an organogram, required for the implementation of the Integrated Development Plan; and
- Address the municipality's internal transformation needs.

This chapter seeks to highlight some of the developmental challenges and current realities within the Knysna Municipality which the municipality should consider when striving to commit itself to working with its citizens and groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. The strategic direction of the Knysna Municipality should be informed by the developmental challenges and current realities discussed below.

2.1 KNYSNA MUNICIPALITY: CURRENT REALITIES

2.1.1 The Establishment of the Greater Knysna Municipality

The Knysna Municipality was established as a result of the Local Government Elections of 2000 and in accordance with the provisions of section 12(1) of the Local Government: Municipal Structures Act (Act 117 of 1998). Since then, the Knysna Municipality incorporated the former Councils of Brenton, Belvidere, Sedgfield and Knysna and the areas of Karatara and Rheenendal. The Knysna Municipality consists of 8 wards and is classified as a Category B municipality. The developmental vision of the Knysna Municipality is moulded within the context of the 5 National Key Performance Areas of the local government transformation agenda, namely:

➤ Municipal Transformation and Institutional Development;
➤ Basic Service Delivery and Infrastructure Investment;
➤ Local Economic Development;
➤ Financial Viability and Management; and
➤ Good Governance and Public Participation.

Table 12 : The 5 National Key Performance Indicators of Local Government

2.1.2 Knysna within the Eden District Context

Knysna Municipality is the fourth largest Municipality within the Eden District in terms of population size.

Knysna Municipality is characterized by vast natural resources such as farmland, forests, rivers, valleys, lagoons (Sedgefield and Knysna), varied natural vegetation, game and nature reserves, lakes and beaches. The major towns include Knysna and Sedgefield with informal areas such as White Location, Qolweni, Jood-se-Kamp, Flenters, Rhobololo, Concordia, Bongani, Edameni, Khayaletu, Hlanlani, Dam-se-Bos and Oupad.

Knysna Municipality is one of the key economic drivers in the Eden District. The main sectors that contributed to the local economy in 2004 were Finance and Business Services, Wholesale and Retail Trade and Manufacturing. The manufacturing activity is concentrated in wood, paper and furniture. These two sub-sectors accounted for about 71 percent of the total Knysna manufacturing activity in 2004 (Western Cape Provincial Treasury, 2006)

Knysna has the 4th largest population in Eden District with a population size of 65 045 people in 2007 compared to 51 468 people in 2001. The population grew on average by 3.9 per cent between 2001 and 2007. Males accounted for 50.6 per cent of the total Knysna population in 2007 while females accounted for 49.4 per cent.

2.2 DEMOGRAPHIC PROFILE OF KNYSNA

According to the Community Survey 2007, the total population of Knysna is 65 045. Knysna Municipality is the fourth largest municipality in the District in terms of population size. The population has increased from 51 468 in 2001 to 65 045 in 2007. In terms of households, the number of households has risen from 14 732 in 2001 to 17 416 in 2007. (Stats SA: Census 2001 and Community Survey 2007). There has been an increase in population by 13 577 people since 2001. The number of households has increased by 2684 since 2001. This can be attributed to in-migration as well as natural growth in the area.

Table 13: Knysna Municipality - Population per Person and per Household, 2001 - 2007

Persons			Households	
Census 2001	Eden Socio-Economic Survey 2006	Community Survey 2007	Census 2001	Community Survey 2007
51 468	55 817	65 045	14 732	17 416

Source: Census 2001, Eden Socio-Economic Survey 2006 and Community Survey 2007

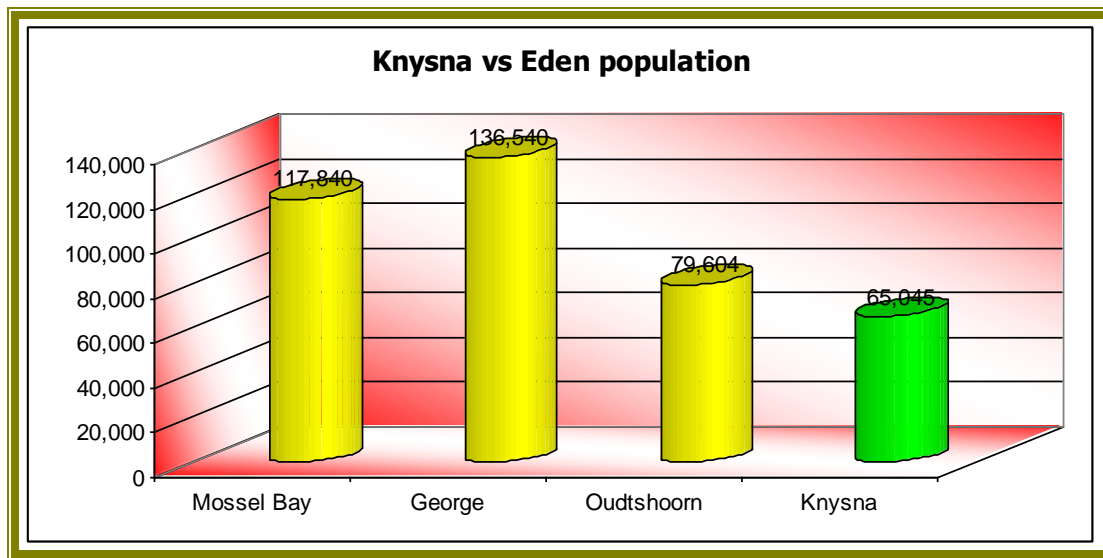
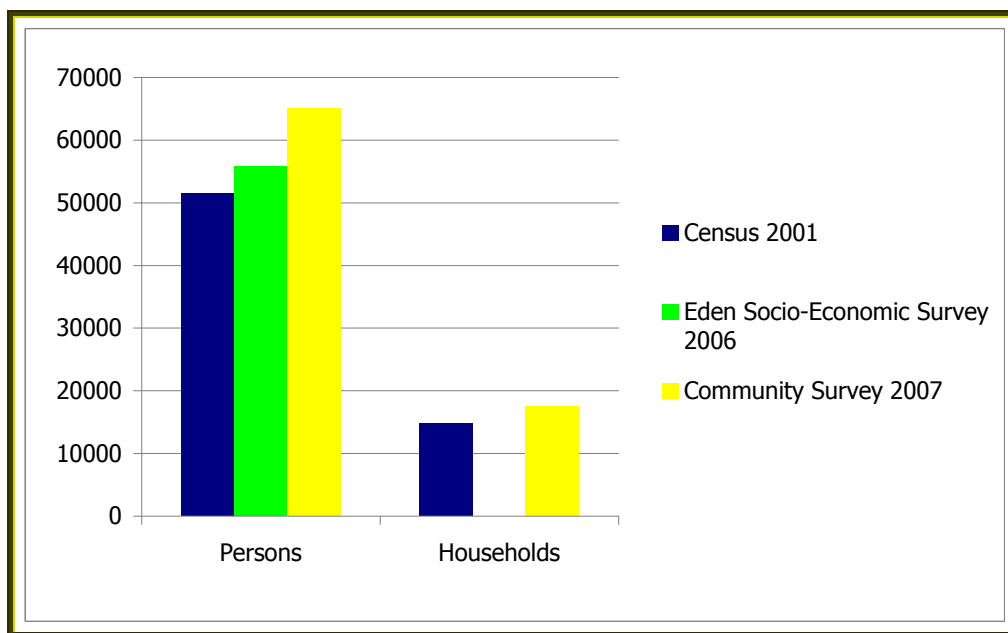


Figure 3: Comparison of Knysna Municipality's population to Eden

Figure 4: Knysna Municipality Population per person and per household, 2001 - 2007



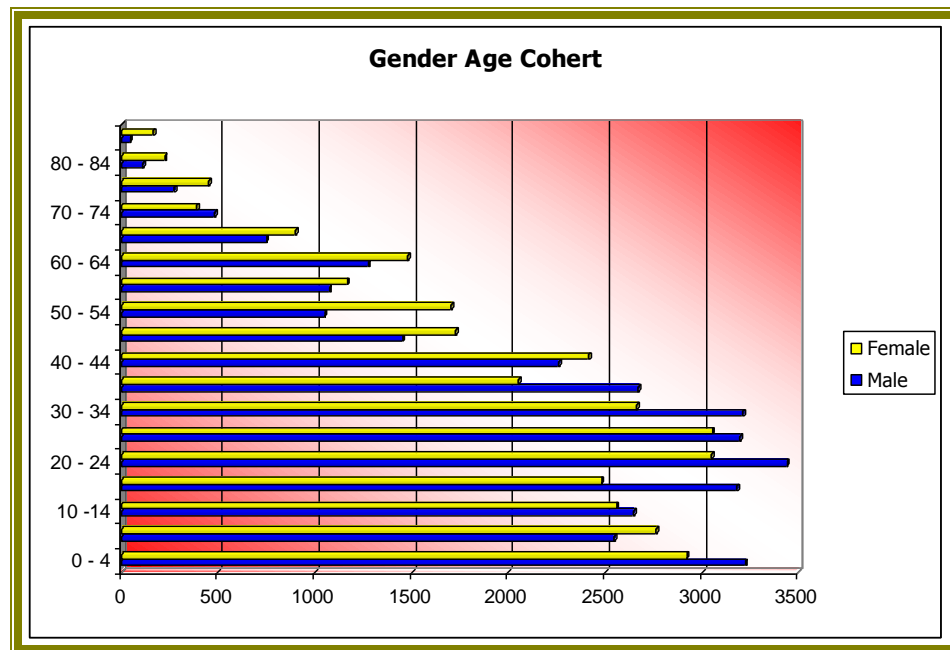
Source: Census 2001, Eden Socio-Economic Survey 2006 and Community Survey 2007

Table 14: Knysna Municipality Demographic Profile, 2007

Age	Male	Female	Total
0 - 4	3223	2920	6143
5 - 9	2548	2760	5308
10 - 14	2647	2557	5204
15 - 19	3182	2479	5661
20 - 24	3438	3049	6487
25 - 29	3194	3052	6246
30 - 34	3210	2660	5870
35 - 39	2669	2051	4720
40 - 44	2262	2415	4677
45 - 49	1452	1725	3177
50 - 54	1050	1704	2754
55 - 59	1075	1166	2241
60 - 64	1276	1479	2755
65 - 69	749	898	1647
70 - 74	485	389	874
75 - 79	274	453	727
80 - 84	114	224	338
85 +	45	165	210

Source: Stats SA: Community Survey 2007

Figure 5: Gender/Age Cohort



Source Community Survey 2007

Figure 5 above illustrates changes in Knysna's population in respect of male: female population and age cohorts in the period 2001 to 2007.

The gender ratio in 2001 was 97 males per 100 females, while in 2007 it increased to 102 males per 100 females. The male population increased from 25 357 people in 2001 to 32 888 people in 2007, at an average annual growth rate of 4.4 per cent. The female population increased from 26 111 people in 2001 to 32 155 people in 2007, which represents an average annual growth rate of 3.5 per cent.

Children accounted for 25.6 per cent (16 646) of Knysna's population in 2007. The child dependency ratio for 2007 is 37.3 per cent, which is a slight improvement from the 2001 ratio of 39.4 per cent. The youth represented 37.3 per cent of the population in 2007 and together with children represent 62.9 per cent of Knysna's population; hence Knysna has a relatively youthful population.

The working age population (15-64 years) accounted for 68.6 per cent of Knysna's population in 2007, growing at an average annual rate of 4.5 per cent over the period 2001 to 2007. Persons aged 65 years and older accounted for 5.9 per cent of the total population in 2007, down from 7.2 per cent in 2001. The aged dependency ratio also declined over the period from 10.9 per cent in 2001 to 8.5 per cent in 2007.

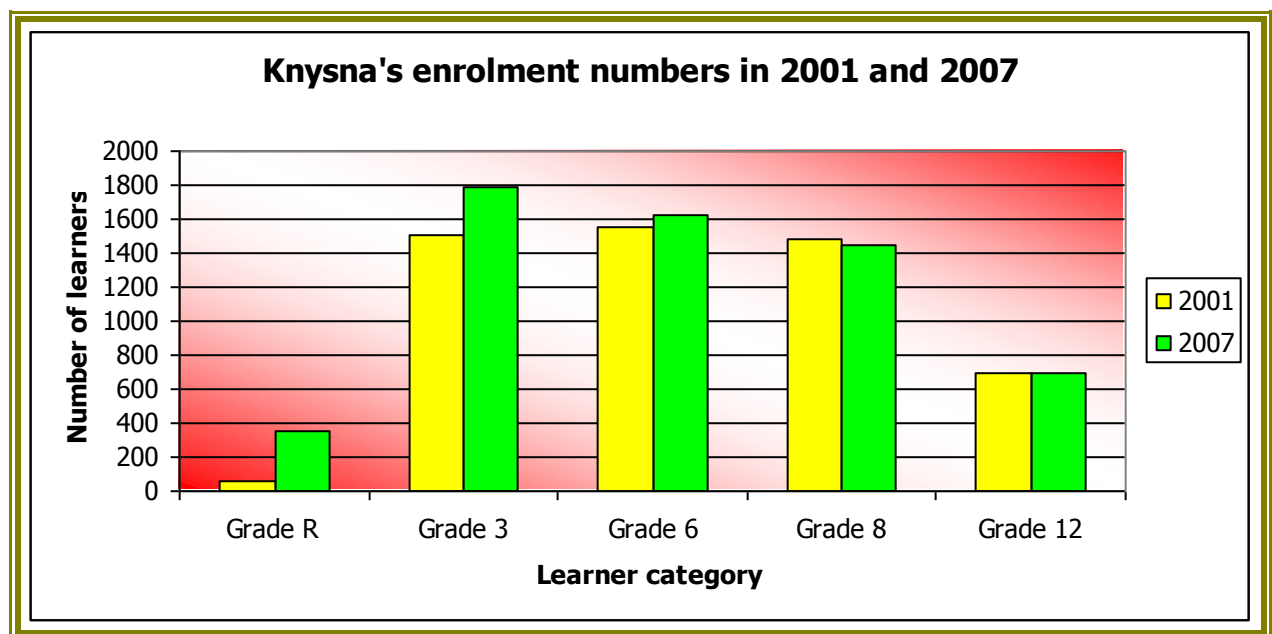
The overall dependency ratio improved from 50.3 per cent in 2001 to 45.9 per cent in 2007. The improved dependency ratio can be attributed to growth within the working age population being greater than growth within the children and elderly populations over the 2001 to 2007 period.

2.3 SOCIO ECONOMIC PROFILE OF KNYSNA MUNICIPALITY

This section of the profile attempts to comment on indicators, which have been identified to measure the community's ability to transform itself in a manner, which improves the capacity of the community to fulfil its aspirations. The list of indicators is not exhaustive and has previously been identified by the Eden District as those indicators which will assist in informing the planning and budgeting processes of the municipality. The profile outlines some of the education, health, safety and security, gender data, as well as the number of individuals accessing social grants as it pertains to the Knysna Municipality.

Human Development and Education

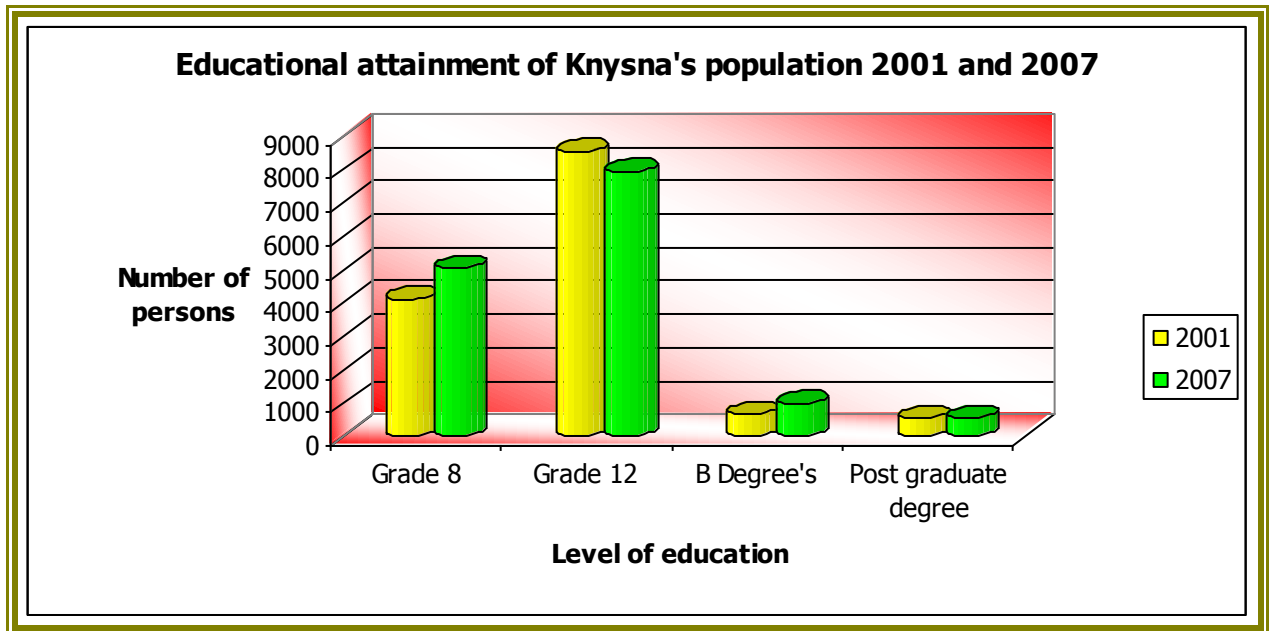
Figure 6 : Knysna's learner enrolment numbers in 2001 and 2007



Source: Department of Education, 2009

The figure above shows the trends in enrolment numbers of learners residing in the Knysna municipal area. Learner enrolment figures for Grade R, Grade 3 and Grade 6 experienced positive growth over the 2001 to 2007 period. Grade R learner enrolment numbers grew at an average annual rate of 33.3 per cent between 2001 and 2007, which is significantly higher compared to the average growth rates of Grade 3 and Grade 6 learner enrolment figures of 3.0 per cent and 0.7 per cent, respectively. Grade 8 and Grade 12 learner enrolment figures, however, experienced declining enrolment numbers over the 2001 to 2007 period, declining at an average annual rate of 0.5 per cent and 0.1 per cent, respectively.

Figure 7 : Educational attainment of Knysna's population in 2001 and 2007



Source: Stats SA, Census 2001 and Community Survey 2007

The figure above compares the educational attainment profile of Knysna's population in 2001 and 2007. The number of learners that have completed primary school and graduated to high school increased over the period, from 4 112 in 2001 to 8 542 in 2007. The number of individuals that reported having completed Grade 12 decreased from 8 542 in 2001 to 7 944 in 2007, which is a decline of 7.0 per cent. The number of individuals residing in Knysna municipal area that reported having tertiary qualifications increased overall at an average annual rate of 3.7 per cent between 2001 and 2007. The number of individuals with Bachelor's degrees increased at an average annual rate of 6.5 per cent from 679 in 2001 to 990 in 2007. On the other hand, the number of individuals with post-graduate qualifications declined on average by 0.3 per cent between 2001 and 2007, from 548 in 2001 to 538 in 2007.

Table 15 Educational Facilities and learner educator ratio

LEARNERS PER EDUCATOR RATIO IN KNYSNA MUNICIPAL AREA 2007-2010					
Educational Level	Location	Learner per Educator ratio			
Primary Schools		2007	2008	2009	2010
Bracken Hill Ek Primary	Brackenhill - Ward 7				
Buffelsnek Primary	Hornlee - Ward 6				
Fraaisig Primary	Fraaisig - Ward 8				
Highway Ek Primary	Rheenendal - Ward 2				
Hornlee Primary	Hornlee - Ward 6				
Karatara Primary	Karatara - Ward 2				
Knysna Primary	Knysna - Ward 5				
Redlands Primary	Karatara - Ward 2				

Rheenendal Primary	Rheenendal- Ward 2				
Ruigtevlei Primary	Sedgefield - Ward 1				
Sedgefield Primary	Sedgefield - Ward 1				
Sedgefield Primary	Sedgefield - Ward 1				
Sunridge Primary	Hornlee - Ward 6				
Chris Nissen Primary	White location - Ward 4				
Thembalitsha Primary	Northern Areas - Ward 8				
Average					
Secondary Schools					
Knysna Secondary	Hornlee - Ward 6				
Knysna High	Knysna - Ward 5				
Percy Mdala High	Khayaletu- Ward 3				
Average					
Private Schools					
Oak hill Private School	Knysna - Ward 5				
Knysna Montessori School	Knysna - Ward 5				
Average					

Source: Western Cape Education Department 2009

Health

Table 16 : Access to Health Facilities

Health facilities	Location
Eden District Municipality: Environmental Health	Knysna- Ward 5
Hornlee Clinic	Hornlee- Ward 6
Keurhoek Clinic	Rheenendal- Ward 2
Keurhoek Mobile	Rheenendal- Ward 2
Khayaletu Clinic	Khayaletu- Ward 3
Knysna Correctional Services	Knysna- Ward 5
Knysna Hospital	Knysna- Ward 5
Knysna Private Hospital	Knysna- Ward 5
Knysna Town Clinic	Knysna- Ward 5
Sedgefield Clinic	Sedfield- Ward 1
Sedgefield Mobile	Sedfield- Ward 1
Wit Lokasie Clinic	White location- Ward 4
Masifunde Community Health Centre (Planning phase and construction will start in June 2010)	Masifunde Node- Ward 8

Source: Department of Health, 2008/09

In the 2009/2010 financial year, a total of 10 primary health care facilities were located within the Knysna municipal area. The clinics are located in the following areas within Knysna Municipality:

- Hornlee,
- Khayalethu,
- Keurhoek
- Sedgfield
- Knysna town centre and
- Wit Lokasie.

A new Community Health Centre is planned for the Masifunde Node. A site has been donated by the Knysna Municipality for this facility. The construction of this facility will commence in June 2010.

Mobile services and satellite clinics are located in Keurhoek and Sedgfield, with the third mobile service covering the whole municipal area.

Table 17: TB, HIV/AIDS Prevalence and births in Knysna

Description	FY-06/07	FY-07/08	FY-08/09
The percentage of underweight (<2 500 g) births	13.50%	12.40%	12.10%
Total deliveries in Facility	2027	1939	1998
Deliveries < 18 years in facility	148	150	172
Immunisation coverage for children under 1 year old	98%	120%	150.40%
The HIV prevalence of Knysna's population			
People were receiving anti-retroviral treatment in Knysna state-run health care facilities	509	645	973
TB incidence of Knysna's population	07/ 1524	08/ 1515	09/ 1189

Source: Adapted from Department of Health, 2009

The percentage of underweight (<2 500 g) births as a share of total deliveries was 13,5 per cent in 2000/07 and decreased to 12.1 per cent in 2008/09. In the 2007/08 financial year, teenage mothers accounted for 172 deliveries in state-run medical facilities in Knysna. This is a decrease of 0, 6 per cent in comparison to 2007/08. Immunisation coverage for children under 1 year old improved from 98 per cent in 2007/08 to 150.4 per cent in 2008/09.

HIV/AIDS

The relationship between HIV/AIDS and local government can be understood in terms of municipalities being workplaces, agents of service delivery and procurers of goods and services. HIV/AIDS affects municipalities as a workplace comprises of officials as well as councillors, who may be affected or infected. This has implications for the functioning of the organization in terms of staff absenteeism, turnover, productivity, loss of skills and institutional memory, reduced capacity for service delivery and financial costs such as increased spending on recruitment and training of new employees, disability and death benefits and pension payouts.

The local landscape of HIV/AIDS varies and differs significantly within and between municipalities. The existing framework for the IDP and Intergovernmental Relations provides a platform for enabling the required multi-sector and partnership-driven response to the local landscape of HIV/AIDS.

The Actuarial Society of South Africa (ASSA) population projection model, forecasts an increase in HIV/AIDS prevalence from 4,9 percent in 2005 to 5,6 percent by 2010. AIDS deaths are projected to increase from 18,8 percent in 2005 to 24, and 6 percent in 2010.

Table 18: Knysna Municipality – HIV/AIDS Cases: 2007

HIV/AIDS CASES						
	TOWN		HORNLEE		WHITE LOCATION	
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009
New Cases						
Deaths						
TOTAL						

Source: Department of Health, 2007 (as at August 2009)

HIV/AIDS CASES						
	KHAYALETHU		SEDFIELD		RHEENENDAL	
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009
New Cases						
Deaths						
TOTAL						

Source: Department of Health, 2007 (as at August 2009)

An estimated 5.2 million people were living with HIV and AIDS in South Africa in 2008, more than in any other country. It is believed that in 2008, over 250,000 South Africans died of AIDS. National prevalence is around 11%, with some age groups being particularly affected. Almost one-in-three women aged 25-29, and over a quarter of men aged 30-34, are living with HIV.

HIV in South Africa is transmitted predominantly heterosexually between couples, with mother to-child transmission being the other main infection route.

Table 19: HIV Prevalence (%) among South Africans aged 2 years and older 2002-2008

Age	2002	2005	2008
Children (2-14 years)	5.6	3.3	2.5
Youth (15-24 years)	9.3	10.3	8.7
Adults (25 and older)	15.5	15.6	16.8
15-49 year olds	15.6	16.9	16.9
Total (2 and older)	11.4	10.8	10.9

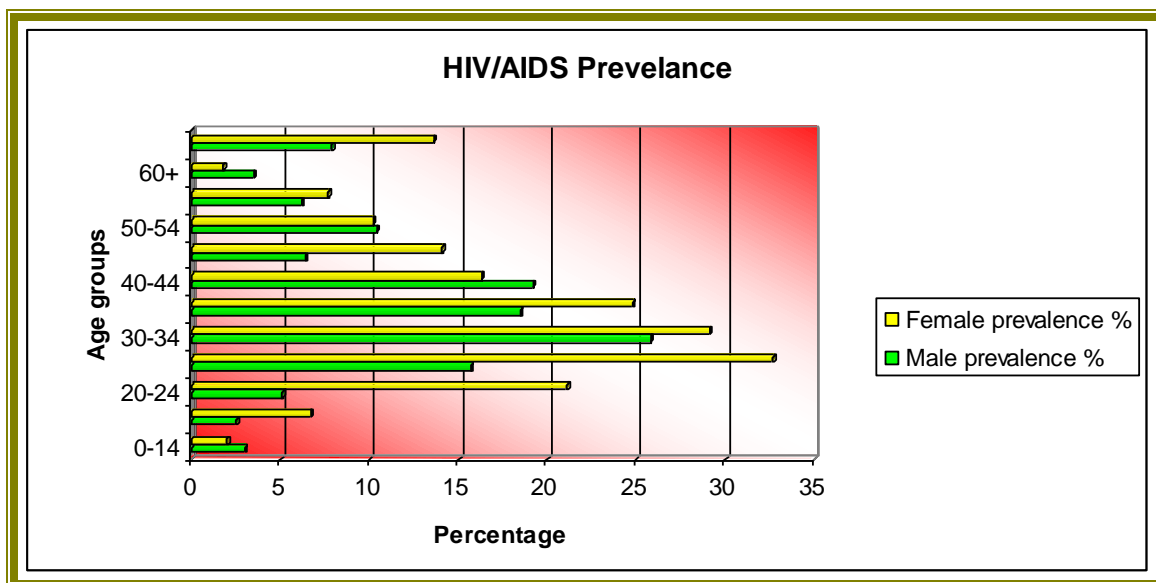
Source: The South African National HIV Survey, 2008

Table 20 Estimated HIV prevalence among South Africans, by age and sex, 2008

Age	Male prevalence %	Female prevalence %
0-14	3	2
15-19	2.5	6.7
20-24	5.1	21.1
25-29	15.7	32.7
30-34	25.8	29.1
35-39	18.5	24.8
40-44	19.2	16.3
45-49	6.4	14.1
50-54	10.4	10.2
55-59	6.2	7.7
60+	3.5	1.8
Total	7.9	13.6

Source: The South African National HIV Survey, 2008

Figure 8 : Estimated HIV Prevalence among south Africans, by age and sex , 2008



Source: The South African National HIV Survey, 2008

Figure 9: Selected crimes reported in Knysna Municipality, 2006/07 and 2007/08

CRIME INFORMATION MANAGEMENT - SOUTH AFRICAN POLICE SERVICES				
Crime in the Knysna (WC) Police Precinct from April to March: 2003/2004 - 2008/2009				
Crime Category	Apr 06-Mar 07	Apr 07-Mar	Apr 08-Mar	Difference (%)
CONTACT CRIME (CRIMES AGAINST THE PERSON)				07/07- 08/09
Murder	48	27	29	7.41
Total sexual crimes	94	86	88	2.33
Attempted murder	7	7	5	-28.57
Assault with the intent to inflict	441	407	432	6.14
Common assault	296	268	253	-5.60
Robbery with aggravating	33	37	32	-13.51
Common robbery	44	80	97	21.25
AVERAGE				-1.5
CONTACT-RELATED CRIME				
Arson	10	12	12	0.00
Malicious damage to property	241	218	269	23.39
AVERAGE				23.39
PROPERTY-RELATED CRIME				
Burglary at business premises	153	129	150	16.28
Burglary at residential premises	838	744	924	24.19
Theft of motor vehicle and motorcycle	41	35	52	48.57
Theft out of or from motor vehicle	210	282	346	22.70
Stock-theft	3	4	5	25.00
AVERAGE				27.3
CRIME HEAVILY DEPENDENT ON POLICE ACTION FOR DETECTION				
Illegal possession of firearms and	9	10	12	20.00
Drug-related crime	513	577	688	19.24
Driving under the influence of alcohol	256	280	340	21.43
AVERAGE				20.2
OTHER SERIOUS CRIME				
All theft not mentioned elsewhere	831	901	952	5.66
Commercial crime	88	70	97	38.57
Shoplifting	180	213	301	41.31
AVERAGE				28.5
SUBCATEGORIES OF AGGRAVATED ROBBERY FORMING PART OF AGGRAVATED ROBBERY ABOVE				
Carjacking	0	0	0	0
Truck hijacking	0	0	0	0
Robbery at business premises	0	3	9	200.00
Robbery at residential premises	1	4	7	75.00
AVERAGE				91.7
OTHER CRIME CATEGORIES				
Culpable homicide	23	23	22	-4.35
Public Violence	7	3	10	233.33
Crimen injuria	63	51	58	13.73
Neglect and ill-treatment of children	13	20	10	-50.00
Kidnapping	0	1	0	-100.00
AVERAGE				18.5

The figure above shows the number of crimes within the selected crime categories that was reported to police stations located in Knysna over the period 2006/07, 2007/08 and 2008/2009. The contact crime (against people) decreased by an average of 1, 5% over last year. Drug related crimes increased at an annual rate of 19,24 in comparison of last years 12.5 per cent, while attempted murder decreased by 28,57 per cent. The charges of neglect against children decreased by 50% in 2008/2009.

According to Shaw (1998) local government in crime prevention can take a variety of forms. This can be broadly summarized into nine categories which span a spectrum of functions internal and external to municipal government. These can be categorised as follows:

- Internal prevention;
- Improving police accountability;
- Aligning resources and objectives within a crime prevention framework;
- Ensuring development projects take account of crime prevention principles;
- Co-ordination of crime prevention;
- Effective by-law enforcement;
- Effective traffic law enforcement;
- Assisting victims of crime; and
- Initiating targeted crime prevention programmes.

This requirement for local government involvement in crime prevention has a number of reasons. Primarily, much of the ordinary daily activities of local government involve issues of local level management and governance. Thus, many crime functions are inherent to the ordinary operations of local government. Crime also varies from area to area across the country, as do the causal factors for offending. These factors imply that different strategies may need to be used to prioritise different problems in different areas.

Household Income

In 2007, 4.2 per cent of all households in Knysna Municipality reported no annual income, which is an improvement from 2001, whereby 14.3 per cent of all households reported no annual income. Between 2001 and 2007, household income has grown in the middle and higher income brackets. Twenty-one per cent of all households in Knysna earn an annual income of between R19 201-R38 400, followed by 13.4 per cent of all households earning between R38 401 and R76 800.

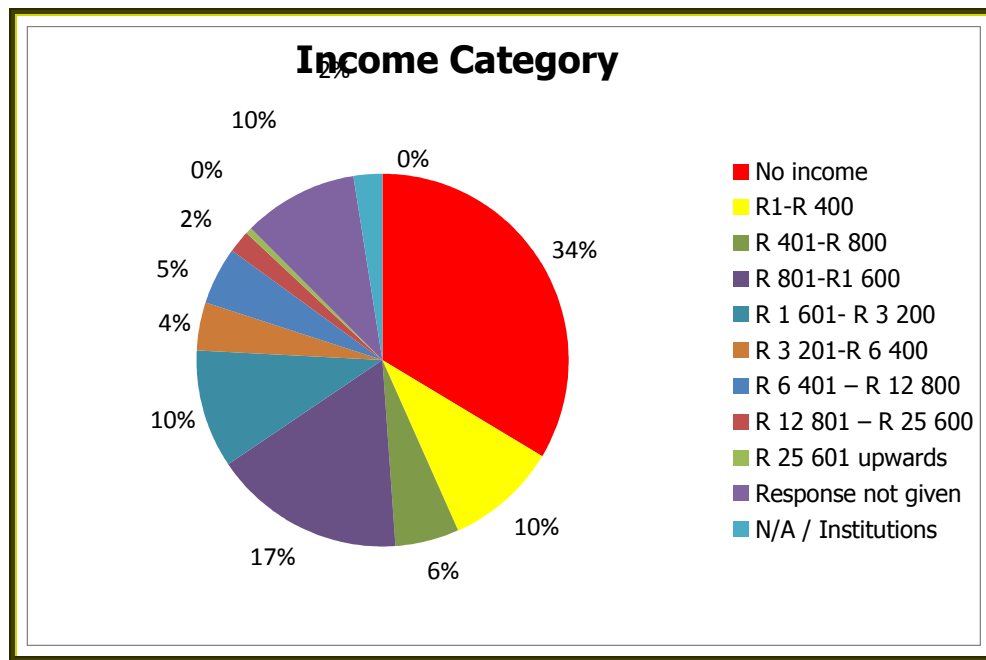
Table 21: Knysna Municipality: Annual Household Income (2007)

Income Category	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
No income	9 782	12 126	7 579	10 815	159	3 355	21 908
R1-R400	2 937	3 310	3 237	2 973	0	37	6 247
R 401-R 800	1 438	2 245	1 673	1 684	27	299	3 683
R 801-R1 600	5 821	4 961	4 929	5 241	0	612	10 782
R1 601-R3 200	4 443	2 257	2 081	3 254	0	1 365	6 700
R3 201– R6 400	1 525	1 264	382	881	27	1 499	2 789
R6 401 – R12 800	1 737	1 382	455	258	27	2 379	3 119
R12 801 – R25 600	1 018	298	172	89	0	1 055	1 316
R25 601 upwards	181	144	0	0	0	325	325
No Response given	3 067	3 530	2017	3 071	0	1 509	6 597
N/A / Institutions	946	632	246	530	21	781	1 578

Source: Stats SA, Census 2001 and Community Survey 2007

Based on the Community Survey 2007 data, the largest proportion of the population lives below the poverty line. 49 320 people of the total population of Knysna (65 045) earn less than R3 200 per month. This includes the “no income” category of 21 908 people, the majority of whom would be children below the age of 15.

Figure 11: Knysna Municipality: Annual Household Income (2007)



Source: Stats SA, Census 2001 and Community Survey 2007

In 2007, 4.2 per cent of all households in Knysna Municipality reported no annual income, which is an improvement from 2001, whereby 14.3 per cent of all households reported no annual income. Between 2001 and 2007, household income has grown in the middle and higher income brackets. Twenty-one per cent of all households in Knysna earn an annual income of between R19 201-R38 400, followed by 13.4 per cent of all households earning between R38 401 and R76 800.

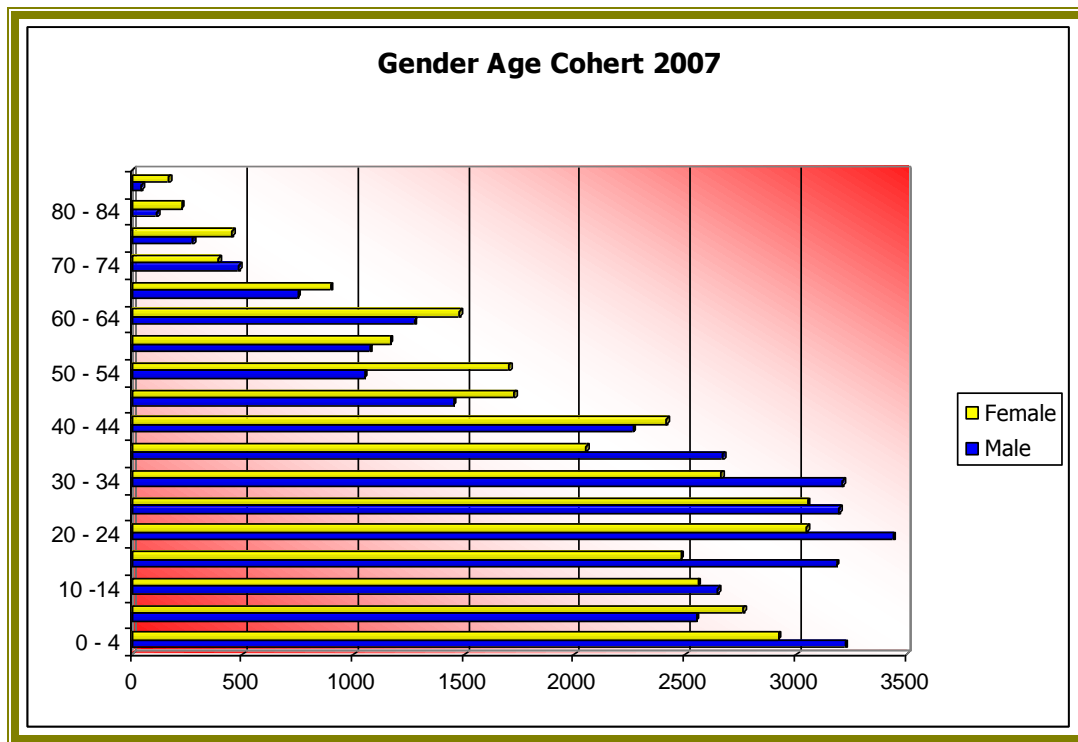
Gender and Age of Households Heads:

Table 22 Knysna Municipality Demographic Profile, 2007

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75 - 79	274	453	727
80 - 84	114	224	338
85 +	45	165	210

Source: Stats SA: Community Survey 2007

Figure 12: Knysna Municipality Demographic Profile, 2007



In 2007 the number of males was 32 893 as opposed to 32 146 females which indicates a fairly even distribution split in terms of gender.

In terms of the elderly there are 3796 over the age of 65, which is 6 percent of the total population. In terms of the potential economically active population age group (working age group) 68 percent of the population fall within the age group 15 – 65 years. In terms of children below the age of 15, there are 16 655 children which is 26 percent of the total population.

Social Grants

Figure 13: Social grants per category

Type of Grant	Number of Recipients (monthly)		Proportion of total recipients Knysna %		Knysna contribution of total recipients in Eden District %		Total value of grants paid (Rands)		Average monthly value of grant	
	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009
Old age										
Disability										
Foster care										
Child support										
Other grants										
Total										

Source: SASSA 2009 (in Western Cape Provincial Treasury, 2009)

Government provides social grants to persons that are deemed to be vulnerable, in need of or qualify for income support. The figure shows that child support old age pension and disability grants are the leading categories of social grants accessed by persons residing in Knysna.

The municipality also offers additional social support through its indigent policy. The indigent policy provides free and discounted rates on basic services such as water, electricity, sanitation and property rates. According to the Financial Directorate of Knysna Municipality, there are 1805 indigents registered in 2009/10.

2.4 LABOUR

Labour Force Employment Status

Table 23: Knysna Labour Force

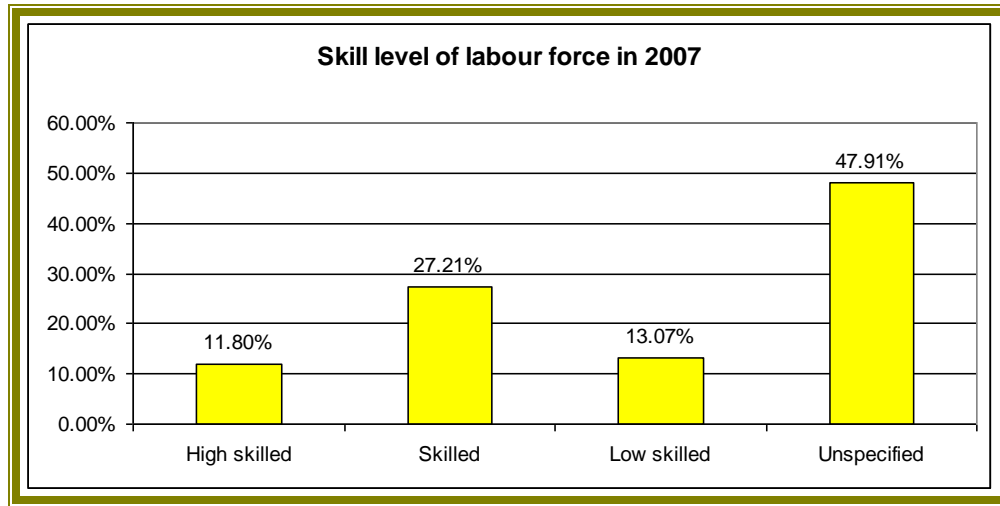
Year	Employed	Unemployed	*Unemployment rate (%)	Labour Force	**LFPR (%)	***NEA	Potentially economically active population
2001	16 125	6 467	28.63	22 592	65.40	11 951	34 544
2007	26 136	4 320	14.18	30 456	67.35	12 975	45 220

The potential economically active population of Knysna Municipality in 2007 was comprised of 45 220 people. The labour force grew at an annual average rate of 5.1 per cent over the period 2001 to 2007, with the labour force participation rate (LFPR) increasing marginally from 65.4 per cent in 2001 to 67.4 per cent 2007.

Employment grew by 8.4 per cent during the period 2001 to 2007, while the unemployment rate decreased from 28.6 per cent to 14.18 per cent over the same period. Over the 2001 to 2007 period, the not economically active population increased by 1024 people.

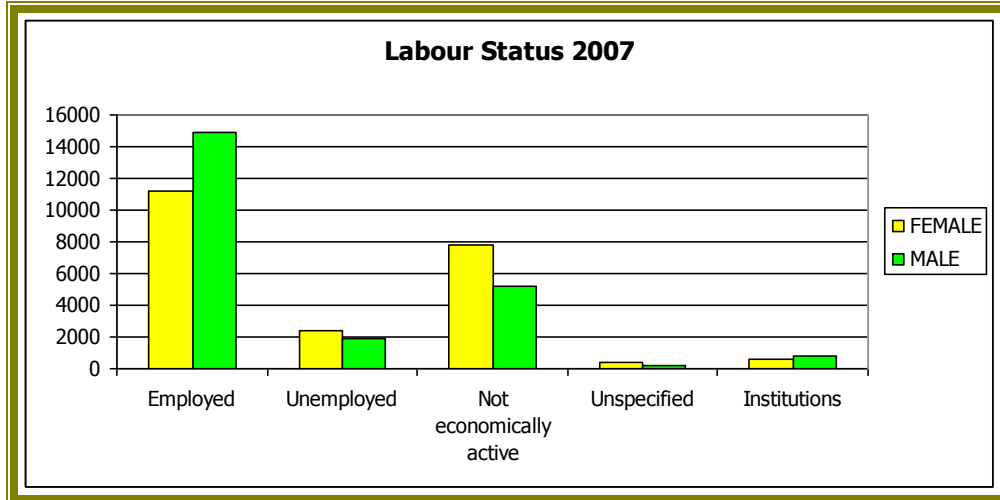
Skills profile of Labour Force

Figure 14: Skill level of the labour force in 2007



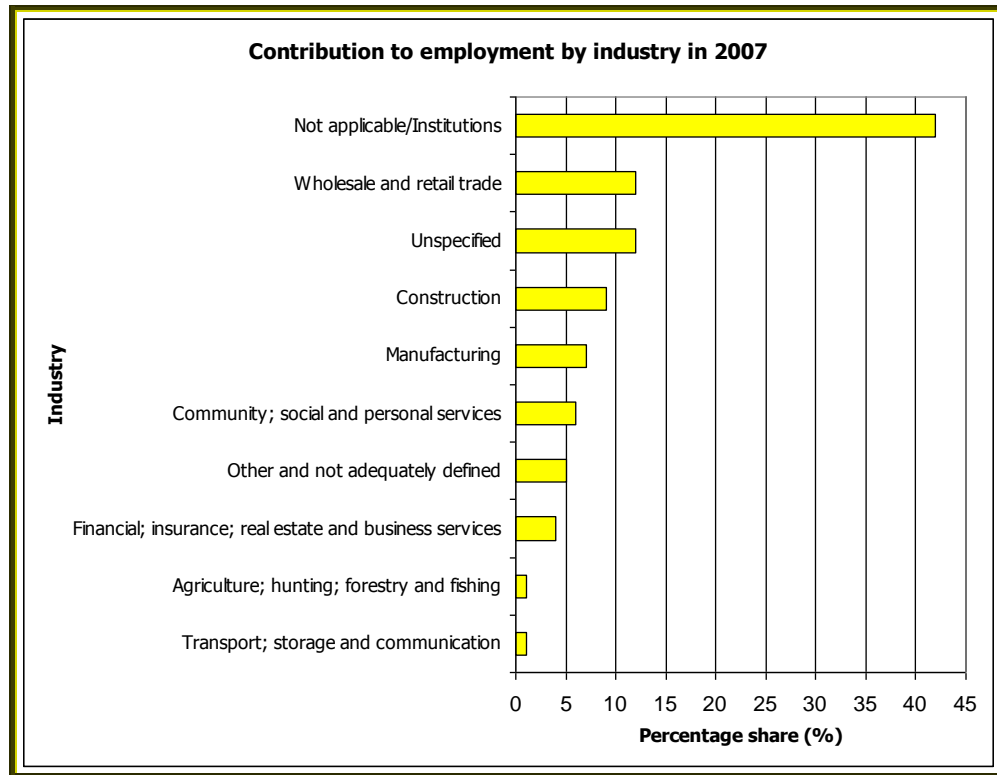
Source: Stats SA, Community Survey 2007

The majority of workers in Knysna Municipality in 2007 were skilled workers, which accounted for 27.2 per cent of the labour force. Low skilled workers and high skilled workers accounted for 13.1 per cent and 11.8 per cent, respectively.



Industry Employment

Figure 15: Contribution to employment by industry in 2007



Source: Stats SA, Community Survey 2007

Figure 15 above illustrates in which sectors the labour force is most concentrated, i.e., the biggest sector employer. In 2007 the biggest specified employment contributors were:

- Wholesale & retail trade (12%),
- Construction (9%) and
- Manufacturing (7%).

Unemployment

The analysis that follows is based on the official (narrow) unemployment definition. It is important to distinguish between narrow and broad unemployment, as its interpretation and use as an indicator may have differing policy consequences. Narrow unemployment is defined as the number of people who have not worked for two weeks prior to the survey date but have taken active steps to look for work/employment. Broad unemployment is defined as the number of people seeking employment two weeks prior to the survey date and includes persons that did not or cannot take active steps to look for work/employment, for example, discouraged work-seekers.

Table 24: below shows the unemployment rates for males and females in 2001 and 2007.

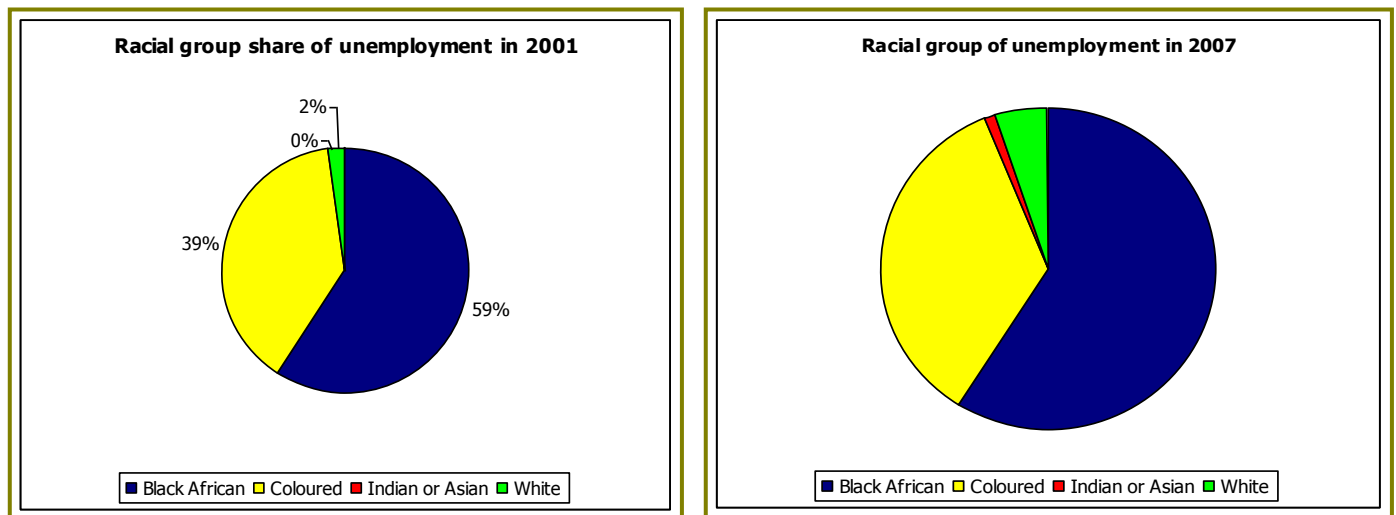
Table 24: Unemployment by gender

Gender	2001	% share	2007	% share	Variation	Average annual growth rate 2001-2007 (%)
Male	3 062	47.35	1 888	43.70	(1 174.00)	(7.74)
Female	3 405	52.65	2 432	56.30	(973.00)	(5.45)
Total	6 467	100.00	4 320	100.00	(2 147.00)	(13.20)

Source: Stats SA, Census 2001 and Community Survey 2007

Over the period 2001 to 2007, the share of female unemployment increased from 52.7 per cent in 2001 to 56.3 per cent in 2007. On the other hand, the share of male unemployment decreased to 43.7 per cent in 2007. Over the period 2001 to 2007, unemployment among males declined at a much faster rate of 7.7 per cent compared to female unemployment at 5.5 per cent.

Figure: 16 racial profile of unemployment in 2001 and 2007



Source: Stats SA, Census 2001 and Community Survey 2007

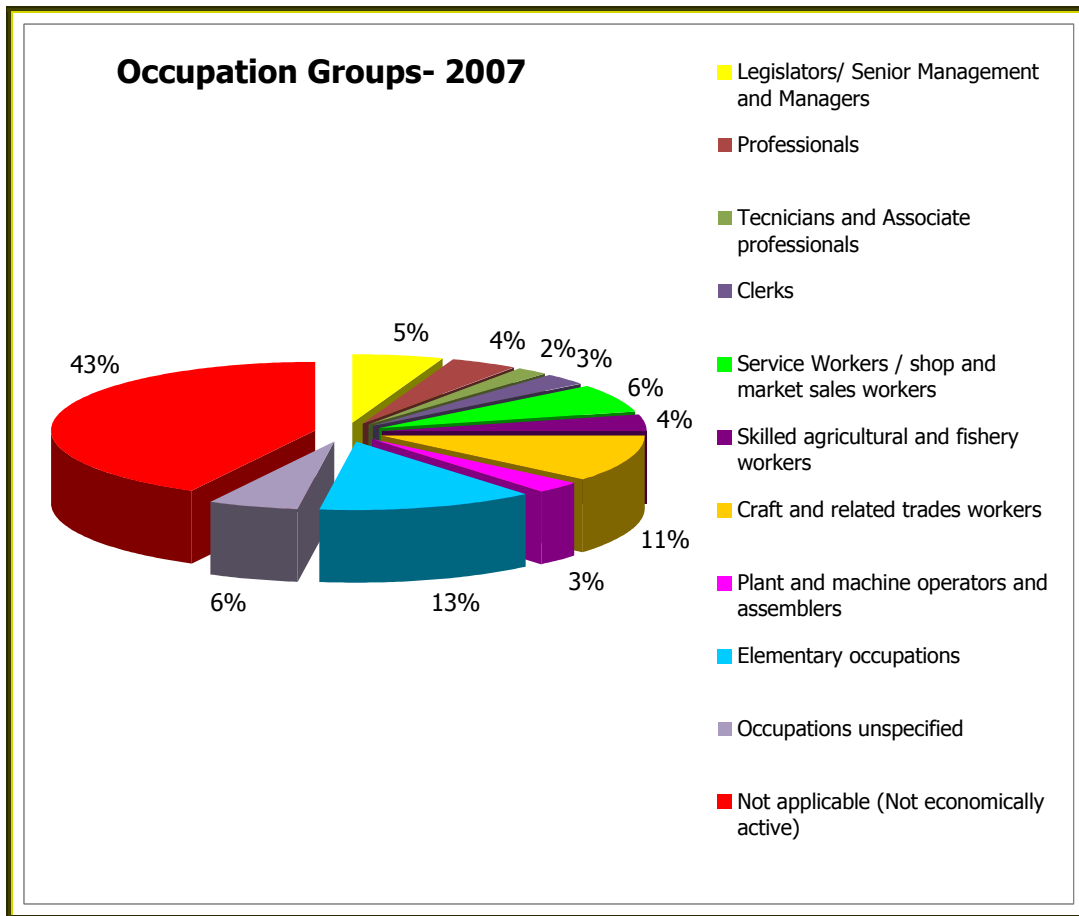
Unemployment in Knysna was concentrated within the Black population and has remained constant at 59.0 per cent over the 2001 to 2007 period. The Coloured population has the second largest share of unemployment in the area, which decreased from 39.0 per cent in 2001 to 35.0 per cent in 2007. Unemployment among the White and Indian/Asian population groups was low at 5.0 per cent and 1.0 per cent in 2007, respectively. Unemployment within Knysna Municipality is the greatest among those aged 20-24, 25-29 and 30-34 years.

Table 25: Knysna Municipality - Occupation Groups

Occupation	Gender		Population Group				Total
	Male	Female	Black	Coloured	Indian or Asian	White	
Legislators/ Senior Officials / Managers	1 304	1 151	444	456	27	1 528	2 455
Professionals	893	1 054	330	715	0	902	1 947
Technicians / Associate Professionals	465	471	210	245	0	481	936
Clerks	207	1 039	134	628	27	457	1 246
Service Workers / Shop and Market sales workers	1 157	1 782	1 183	1 202	27	527	2 939
Skilled agricultural and fishery workers	1 374	354	621	735	0	372	1 728
Craft and related trades workers	4 444	579	2 440	2 042	0	541	5 023
Plant and machine operators and assemblers	1 257	113	514	716	0	140	1 370
Elementary occupations	2 495	3 417	2 720	2 993	0	199	5 912
Occupations unspecified and not elsewhere classified	1 304	1 279	831	1 265	55	432	2 583
Not applicable (not economically active)	8 059	11 024	6 765	8 137	70	4 111	19 083

Source: Stats SA, Census 2001 and Community Survey 2007

Figure 18: Knysna Municipality: Occupation Groups



Source: Stats SA, Census 2001 and Community Survey 2007

ECONOMIC PROFILE OF KNYSNA MUNICIPALITY

Table 26: GDPR value of Economic sectors at 2000 prices

Sectors	GDPR- 2001 R'm	GDPR- 2007 R'm	Annual growth rate 2001- 2007 (%)
Agriculture, forestry and fishing	101.62	115.40	2.14%
Mining and quarrying	0.57	0.48	-2.63%
Manufacturing	145.22	174.04	3.06%
Electricity, gas and water	10.81	7.84	-5.21%
Construction	74.00	153.17	12.89%
Wholesale and retail trade, catering and accommodation	250.31	382.97	7.34%
Transport, storage and communication	110.56	127.92	2.46%
Finance, insurance, real estate and business services	371.05	507.29	5.35%
Community, social and personal services	64.94	83.45	4.27%
General government	112.85	136.68	3.24%
Total	1,241.93	1,689.25	5.26%

Source: Western Cape Provincial Treasury calculations based on Quantec Research data

Knysna Municipality was in 2007 the third largest economy in Eden with a regional gross domestic product (GDPR) of R1, 689 billion. This was up from R1, 242 billion in 2001 and equates to an average annual growth rate of 5.3 per cent over the six-year period. Knysna Municipality accounted for 13.7 per cent of the district's economy in 2007.

The construction sector recorded the highest average annual growth over the 2001 to 2007 period at 12.9 per cent, followed by the wholesale and retail trade, catering and accommodation sector at 7.3 per cent and finance, insurance, real estate and business services at 5.4 per cent. Sectors which recorded declining growth over the period 2001 and 2007 include: electricity, gas and water at 5.2 per cent and mining and quarrying at 2.6 per cent. The aforementioned sectors play a relatively small role (in terms of Rand value) in the economy of Knysna.

Figure 18: Comparison of Knysna economy growth rates to Eden District growth rates, 2001- 2007

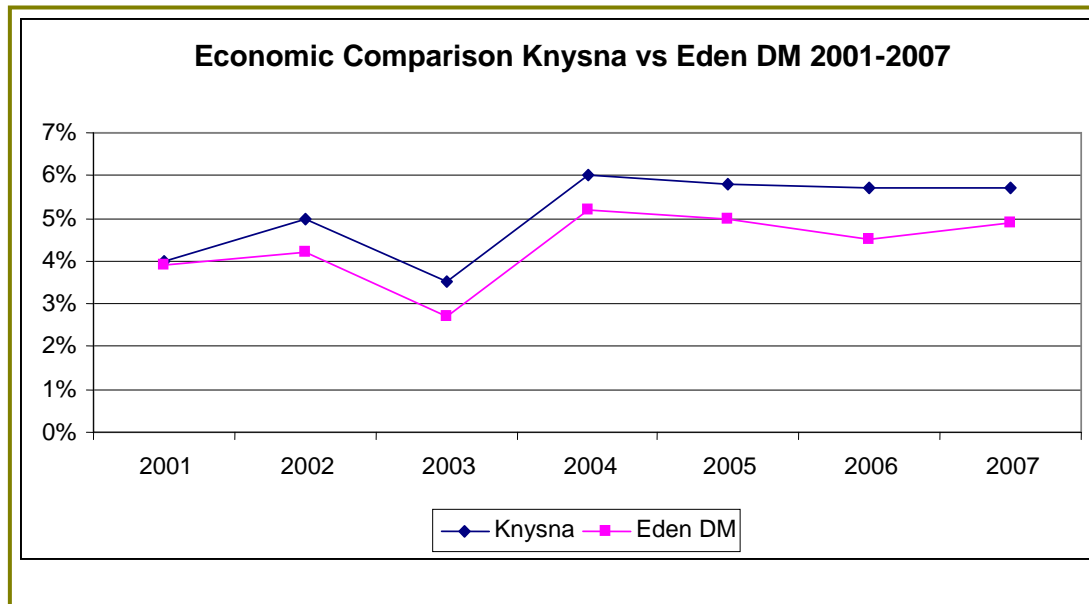
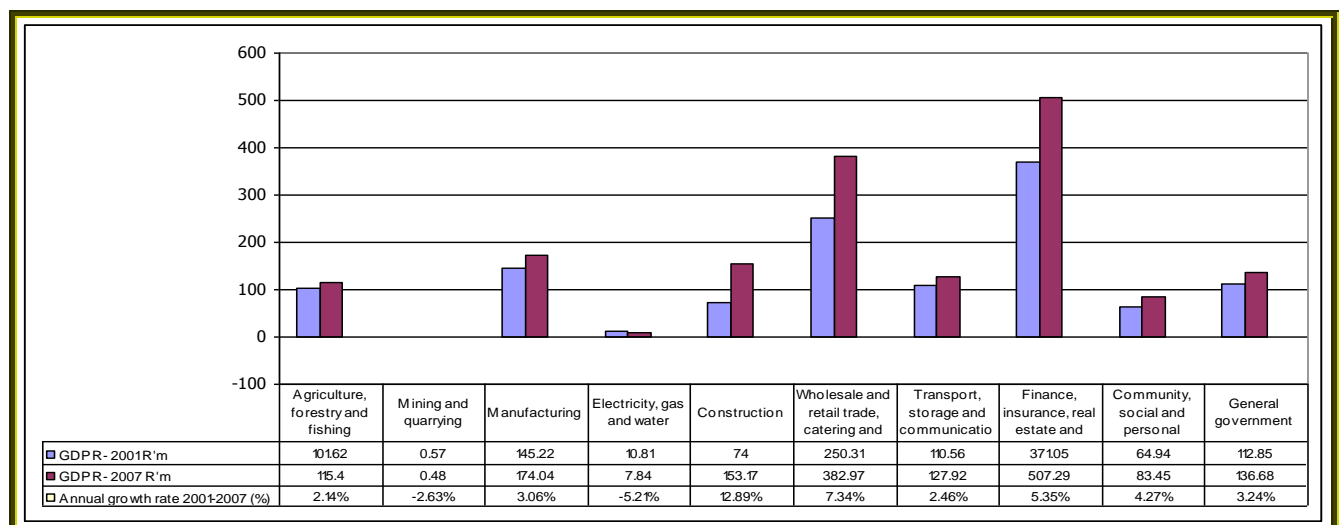


Figure 18: shows the economic growth trends of Knysna Municipality in comparison to Eden Regional District's growth rates for the period 2001 to 2007. As indicated in the figure, Knysna's economy is growing at a higher rate than the district's economy in each year over the 2001 to 2007 period. Knysna's economy grew at an average annual rate of 5.3 per cent over the period 2001 to 2007 compared to the district's average annual growth rate of 4.4 per cent.

Figure 19 Sector percentage contributions to Knysna's economy



Source: Western Cape Provincial Treasury calculations based on Quantec Research data

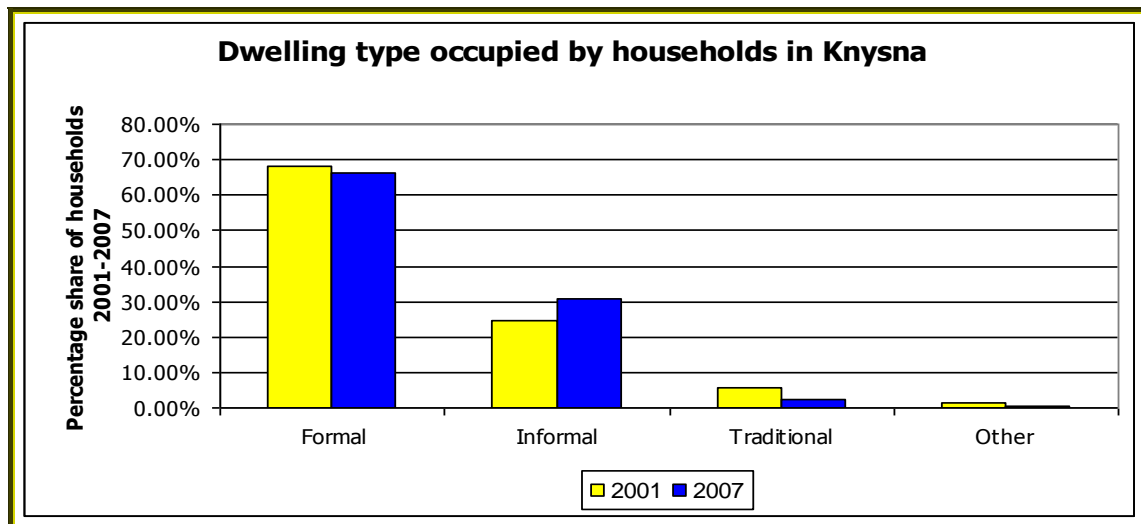
Figure 19 above shows the percentage contribution of each broad sector to Knysna's economy over the period 2001 to 2007. The three largest sectors in 2007 were: finance and business services (30%); wholesale & retail trade, catering and accommodation (23%); and manufacturing (10%).

2.6 ACCESS TO BASIC SERVICES AND INFRASTRUCTURE

Dwellings

Figure 20: Dwelling type occupied by households in Knysna

Total number of households (2001=14 905 and 2007= 17 417)



Source: Stats SA, Census 2001 and Community Survey 2007

Note: Other includes ship, boat, caravan or tent, workers hostel (bed/room), as well as anything that was not specified.

The total number of dwelling units in Knysna Municipality grew at an average annual rate of 2.6 per cent from 14 905 dwellings in 2001 to 17 417 dwellings in 2007. Informal dwellings grew at a faster rate than formal dwellings at an average annual rate of 6.5 per cent compared to 2.1 per cent over the 2001 to 2007 period, respectively. Significant average annual growth rates were recorded for informal dwelling/shack in back yard at 21.1 per cent, flat in a block of flats at 17.1 per cent, and for room/flat not in back yard but on shared property at 12.0 per cent between 2001 and 2007.

Energy

Table 27: Main type of energy/fuel used for lighting by households

Energy sources	2001	% share of households 2001	2007	% share of households 2007	Average annual growth 2001-2007
Electricity	12059	80.9%	14599	83.8%	3.2%
Gas	27	0.2%	53	0.3%	11.9%
Paraffin	1525	10.2%	2030	11.7%	4.9%
Candles	1239	8.3%	734	4.2%	-8.4%
Solar	15	0.1%	0	0.0%	-100.0%
Other	36	0.2%	0	0.0%	-100.0%
Total	14901	100.0%	17416	100.0%	2.6%

Source: Stats SA, Census 2001 and Community Survey 2007

In 2007 electricity (83.8%) was the leading energy source used by households, followed by paraffin (11.7%). The number of households with access to electricity within Knysna grew at an average annual rate of 3.2 per cent over the 2001 to 2007 period.

Sanitation

Table 28: Main toilet facility used by households

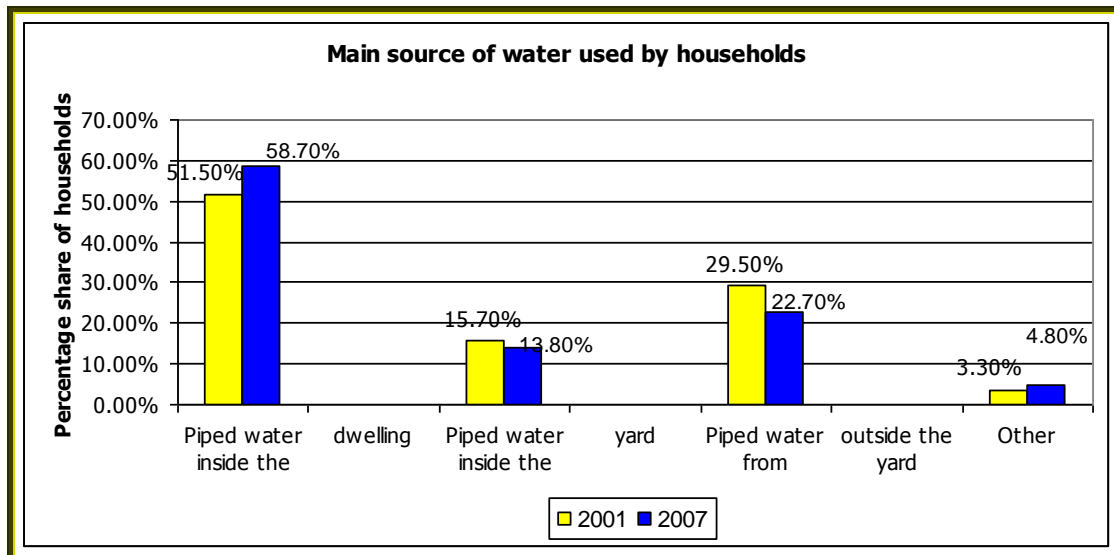
Toilet facilities	2001	% share of households 2001	2007	% share of households 2007	Average annual growth 2001-2007
Flush toilet (connected to sewerage system)	8226	55.2%	12166	69.9%	6.7%
Flush toilet (with septic tank)	1926	12.9%	484	2.8%	-20.6%
Dry toilet facility	0	0.0%	194	1.1%	n.a.
Pit toilet	2807	18.8%	2533	14.5%	-1.7%
Chemical toilet	174	1.2%	28	0.2%	-26.2%
Bucket toilet system	747	5.0%	202	1.2%	-19.6%
None	1022	6.9%	1809	10.4%	10.0%
Total	14902	100.0%	17416	100.0%	2.6%

Source: Stats SA, Census 2001 and Community Survey 2007

In 2007, 72.7 per cent of all households in Knysna had access to flush toilets (connected to sewerage system or septic tank). The number of households with access to flush toilets connected to a sewerage system within Knysna grew at an average annual rate of 6.7 per cent over the 2001 to 2007 period. Pit toilet facilities represented the second biggest source of sanitation facilities to Knysna households at 14.5 per cent in 2007. The municipality has made headway in eradicating the bucket toilet system, with the use of bucket toilets systems declining on average by 19.6 per cent each year over the 2001 to 2007 period. Despite the inroads the municipality has made with improving access to flush toilets and eradicating the bucket toilet system, 10.4 per cent of all households in Knysna still reported having no access to sanitation facilities in 2007, which is up from 6.9 per cent in 2001.

Water

Figure 21: Main source of water used by households



Source: Stats SA, Census 2001 and Community Survey 2007

Total number of households (2001 =14 901 and 2007 =17 416)

*Other includes borehole, spring, dam, pool, river, stream, water vendor and rainwater tank.

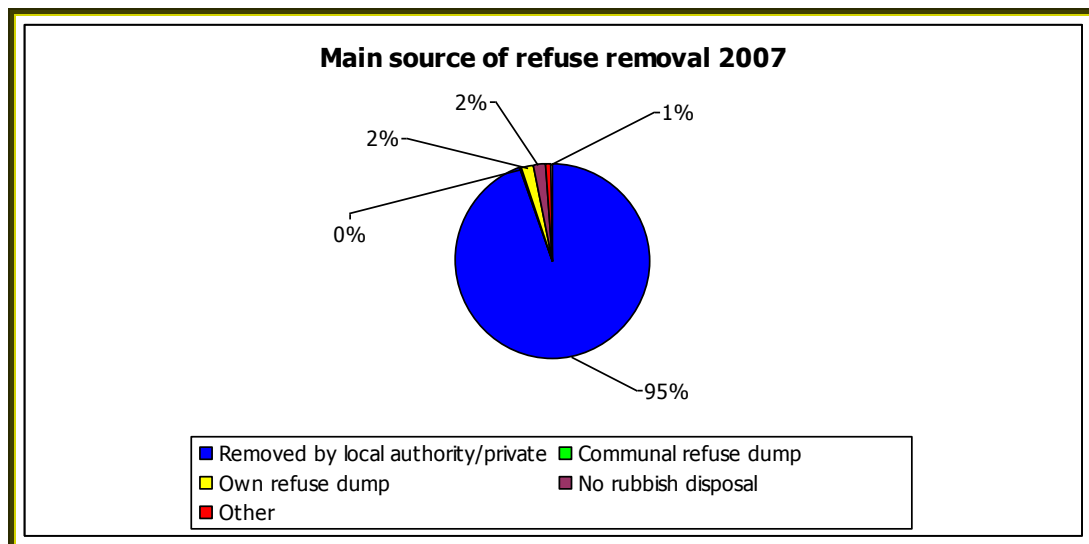
Household access to piped water within Knysna Municipality deteriorated over the period 2001 to 2007, from 96.7 per cent in 2001 to 95.2 per cent in 2007. Access to piped water inside the dwelling accounted for 58.7 per cent of all household access to water in 2007, up from 51.5 per cent in 2001. The number of households with access to piped water inside the dwelling grew at an average annual rate of 4.8 per cent between 2001 and 2007. The percentage share of households in Knysna accessing alternative water sources such as borehole, spring, dam, pool, river, stream and rainwater has increased from 3.3 per cent in 2001 to 4.8 per cent in 2007.

Refuse Removal

Refuse removal services by local authority/private company was the leading refuse removal source for households in Knysna at 94.8 per cent in 2007. Access to refuse removal services by local authority/private company grew at an average annual rate of 3.1 per cent between 2001 and 2007. Despite the majority of households in Knysna having access to refuse removal services, the percentage share of households with no access to refuse removal services increased from 1.0 per cent of all households in 2001 to 1.8 per cent in 2007, which is equivalent to an average annual rate of 12.9 per cent between 2001 and 2007.

Figure 22: Main source of refuse removal services, 2007

Total number of households in 2007 = 17 416



Source: Stats SA, Community Survey 2007

Roads

The road infrastructure in the Knysna area consists mainly of National Roads, Provincial Roads and District Roads. In general, these roads are in a relatively good condition and are regularly maintained and if necessary upgraded by the relevant road authorities.

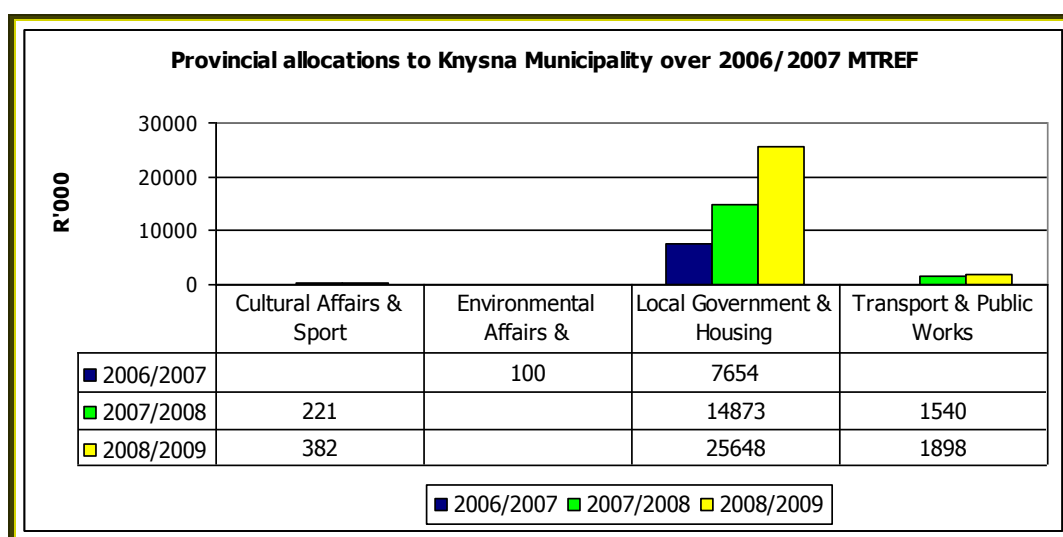
The main characteristics of the road network in the Knysna Municipal area are as follows:

- The Annual Average Daily Traffic (AADT) of the N2 passing through the Knysna area is approximately 10 000 to 12 500 vehicles per day, making the N2 by far the most important road in the area.
- At present there are no alternative routes for the N2 through Knysna, resulting in all the through traffic passing through Knysna mainly on Main Street and Waterfront Drive, causing congestion throughout the year.
- TR2/10 from the White Bridge into Knysna is very narrow and becomes a bottle neck in peak season. The upgrade of this road will address the challenges that Knysna are currently faced with due to bottlenecks. This road is in the process of being upgraded to the value of plus minus R 126 M. A by-pass which is intended to relieve traffic congestion in the town has been under consideration for some time. The N2 by-pass Environmental Impact Assessment Report was completed by SANRAL's consultants and final comments were made.
- TR59/1 has an Annual Average Daily Traffic (AADT) of approximately 1 000 vehicles per day and provides traffic with access to the Uniondale and Langkloof areas. Due to its condition and its alignment, it is not a viable alternative to TR1/1 for access to traffic from the central parts of South Africa.
- Knysna Municipality have 43, 5 km of gravel road within its jurisdiction that need to be paved or tarred.

2.7 FINANCE AND RESOURCE MOBILISATION

Figure 23: Provincial allocations to Knysna Municipality over the 2006/07 MTREF

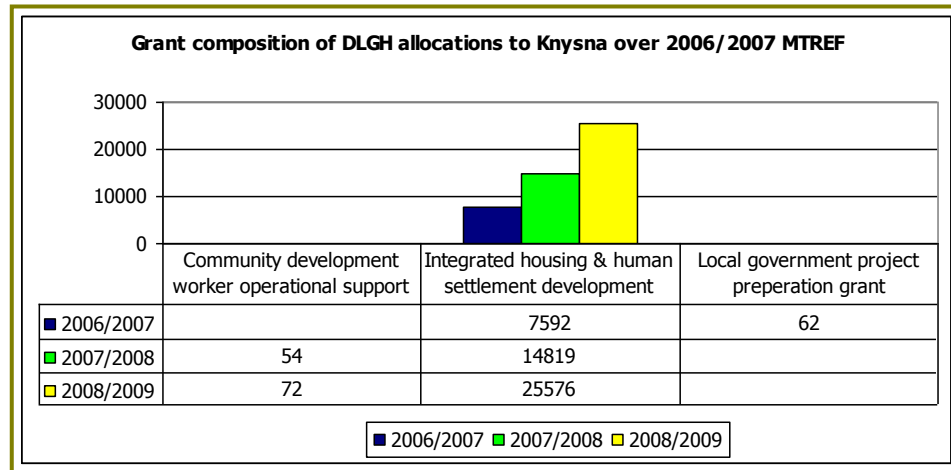
Figure 23: below shows provincial allocations per sector department for each year of the medium term revenue and expenditure framework (MTREF). Allocations from the provincial Department of Local Government and Housing (DLGH) accounted for the largest portion of provincial transfers in terms of total Rand value to Knysna Municipality at R48,175 million over the 2006/2007 MTREF period, followed by the Department of Transport and Public Works at R3,438 million. Total provincial allocations to the municipality grew on average by 89.8 per cent year on year over the MTREF period, from R7, 754 million in 2006/07 to R27, 928 million in 2008/09.



Source: Budget 2006 LG Allocations ISBN 0-621-36420-7, Gazette 6421 2007-03-06 and Gazette 6505 2008-03-04.

Figure 24: Grant composition of DLGH allocations to Knysna Municipality over the 2006/07 MTREF

Total allocations from the DLGH grew significantly over the 2006/07 MTREF period at an average annual rate of 83.1 per cent. The Integrated Housing and Human Settlement Development Grant (IHHS) constitute the bulk of the allocations from the DLGH at R47, 987 million, which is equivalent to a 99.6 per share of the total DLGH allocations. This grant is used to finance the funding requirements of national housing programmes. It facilitates the establishment and maintenance of integrated and sustainable human settlements to ensure economically viable and socially equitable communities in areas with ecological integrity. Thereby, promoting convenient and safe access to economic opportunities, health, education and social amenities.



Source: Budget 2006 LG Allocations ISBN 0-621-36420-7, Gazette 6421 2007-03-06 and Gazette 6505 2008-03-04

Figure 25: National allocations to Knysna Municipality over the 2006/07 MTREF

Source: DoRB B3 of 2006, Gazette 29797 2007-04-14 and Gazette 30978 2008-04-14

Figure 25 shows national allocations per sector department for each year of the 2006/07 MTREF period. Allocations from the Department of Provincial & Local Government (DPLG) accounted for the largest portion of national transfers in terms of Rand value to Knysna Municipality at R65,365 million, which is equivalent to a 95.7 per cent share of total national transfers over the 2006/07 MTREF period.

The Department of Minerals and Energy and National Treasury allocates a total of R1, 216 million and R1, 750 million to Knysna Municipality over the MTREF period, respectively. Total national allocations to the municipality grew on average by 25.4 per cent each year of the MTREF, from R18, 072 million in 2006/07 to R28, 420 million in 2008/09.

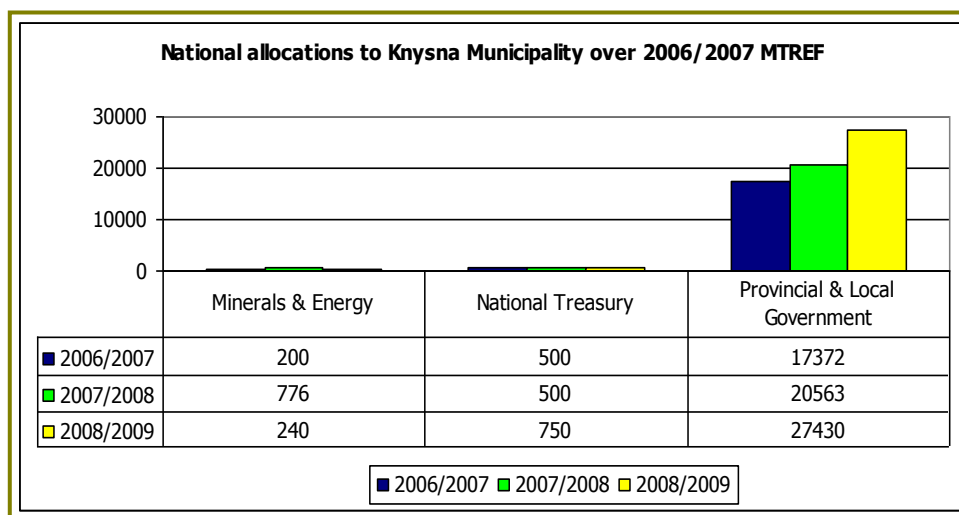
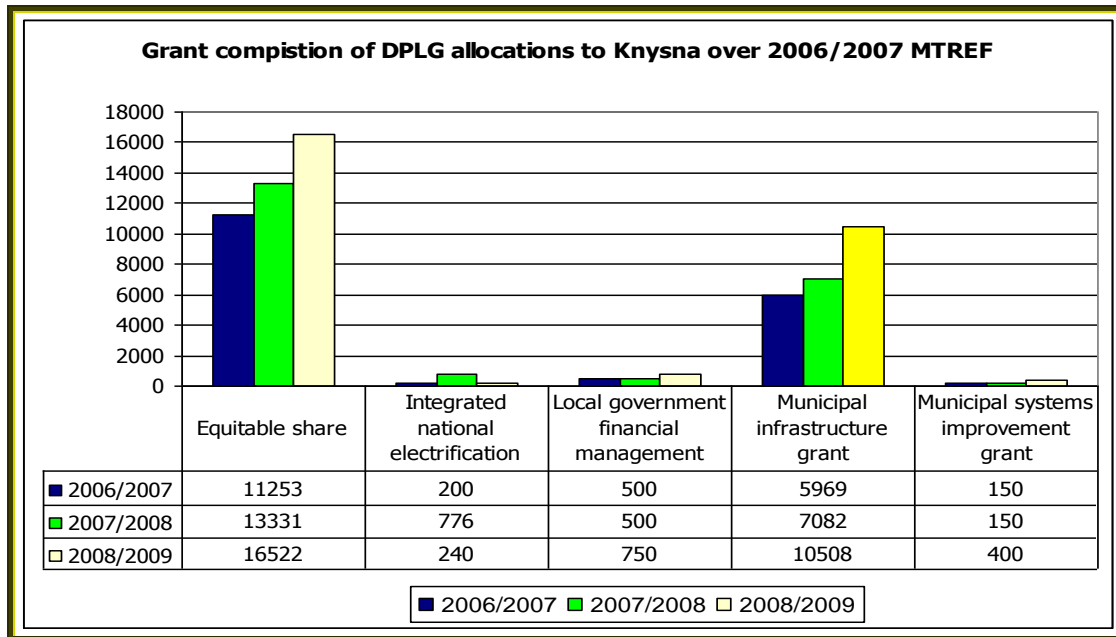


Figure 26: Grant composition of DPLG allocations to Knysna Municipality over the 2006/07 MTREF

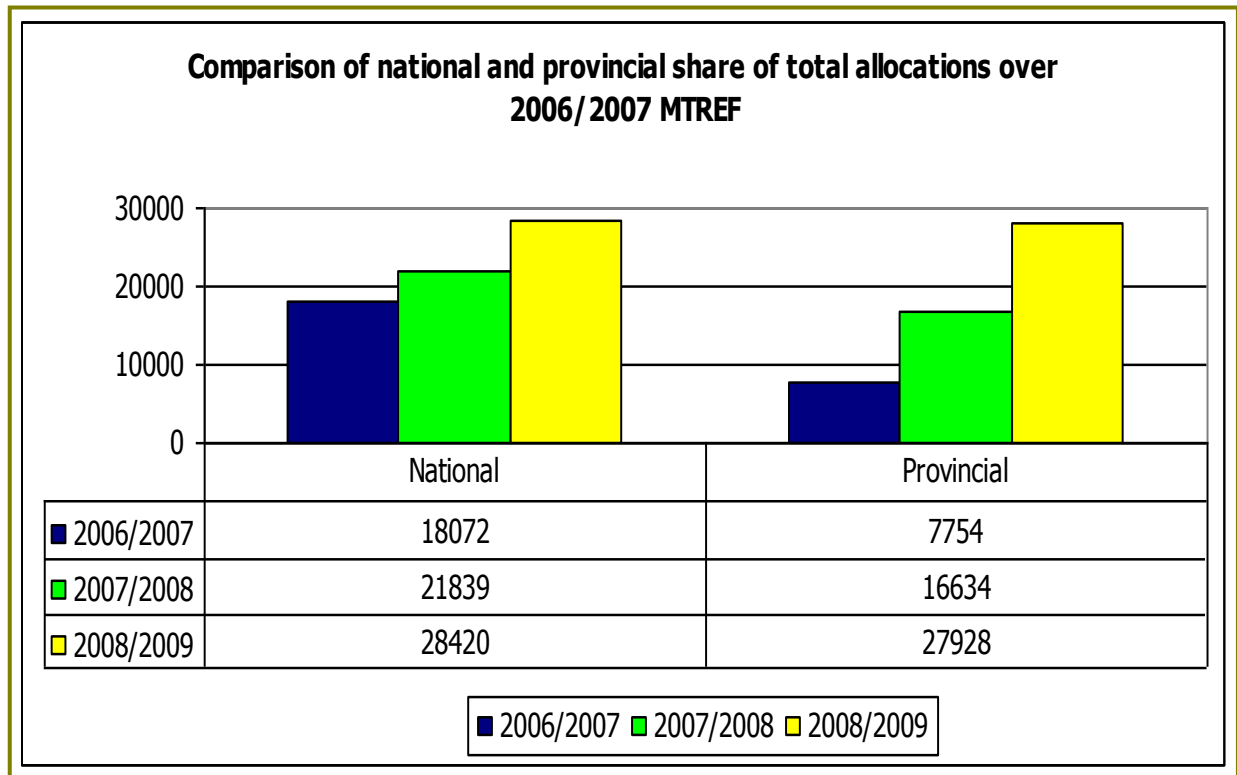


Source: DoRB B3 of 2006, Gazette 29797 2007-04-14 and Gazette 30978 2008-04-14

The growth in DPLG allocations was driven by the following grants: the Equitable Share and the Municipal Infrastructure Grant (MIG). The equitable share is the provincial share of nationally raised revenue and is a block grant with "no conditions". The equitable share grant amounted to R41, 106 million over the 2006/07 MTREF, growing at an average annual rate of 21.2 per cent. The MIG grant at R23, 559 million over the MTREF is provided to supplement municipal capital budgets to fund backlogs in municipal infrastructure required for the provision of basic services primarily for poor households. The MIG grant works hand-in hand with the IHHS grant in the government's effort to fast track housing delivery. The IHHS grant grew by an annual average growth rate of 83.5 per cent and the MIG grew by 32.7 per cent over the 2006/07 MTREF. The other significant DPLG allocation over the MTREF period is the Local government financial management grant at R1, 750 million.

Figure 27; Comparison of national and provincial share of total allocations over the 2006/07 MTREF

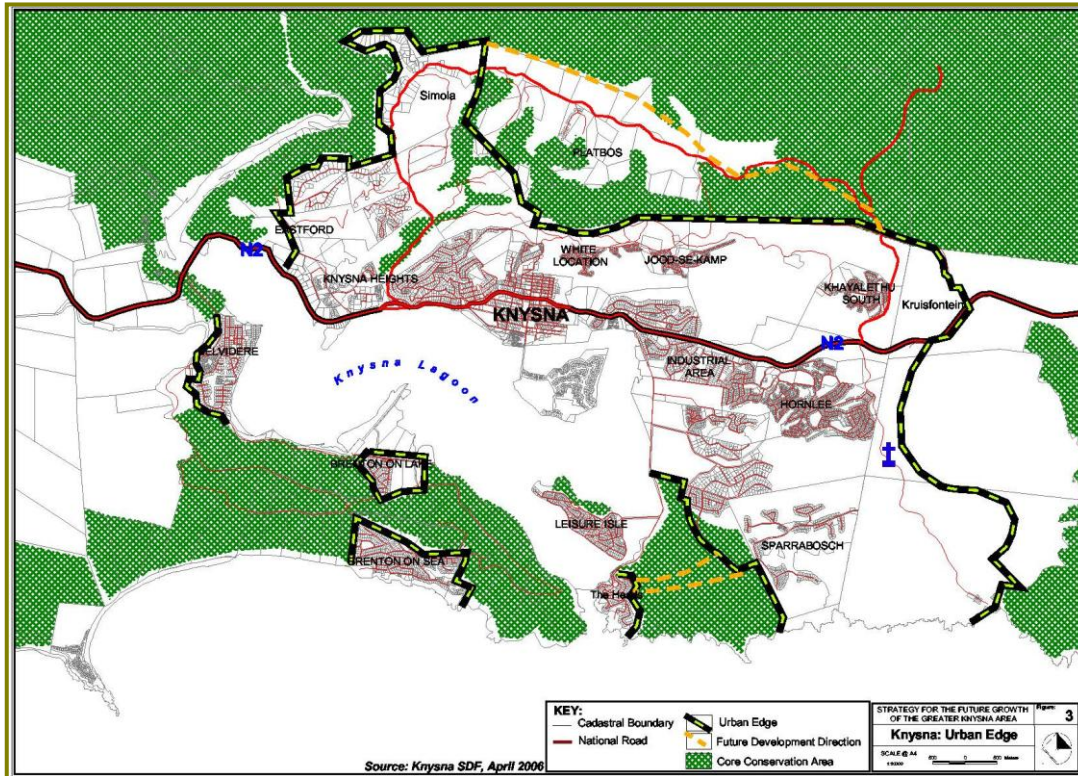
Provincial allocations as a share of total allocations to Knysna Municipality in 2006/07 was much smaller than national allocations at 30.0 per cent, but grew significantly over the MTREF period and accounted for 49.6 per cent of total allocations in 2008/09, or in Rand value terms R7, 754 million in 2006/07 to R27, 928 million in 2008/09.



Source: 2006 LG Allocations ISBN 0-621-36420-7, Gazette 6421 2007-03-06, Gazette 6505 2008-03-04, DoRB B3 of 2006, Gazette 29797 2007-04-14 and Gazette 30978 2008-04-14

2.8 SPATIAL PLANNING AND LAND AVAILABILITY

Figure 28: Knysna Municipality – Knysna Urban Edge



Source: Draft Spatial Development Framework

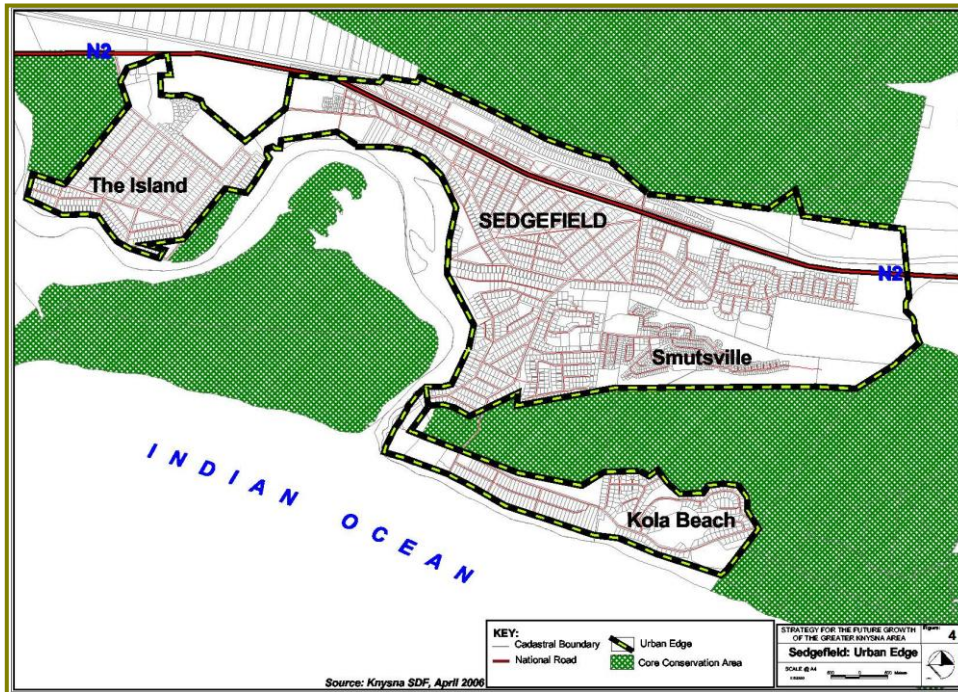
Knysna faces the challenge of identifying and acquiring suitable land for development, particularly for housing. It is estimated that there is a backlog of over 6,000 housing units in the Greater Knysna Area.

The environment within which development can occur is determined by the Spatial Development Framework. In keeping with the Provincial Spatial Development Framework the Urban Edge has been drawn close to the existing urban fabric.

The only areas where provision is made for urban growth are:

- The Eastford area up to the edge of the currently approved Simola development. This is the only area in the Knysna Basin where private sector, Greenfield residential development will be permitted. There are approximately 500 ha in this area and could accommodate some 1,500 dwelling units at currently accepted density levels.
- In the Kruisfontein area north of the N2 there is capacity for expansion to accommodate affordable housing and industry, whilst a cemetery is planned for south of the N2 in the same area. Both these expansions will be driven by the Municipality. However the land in question is not yet owned by the Municipality.

Figure 29: Knysna Municipality – Sedgefield Urban Edge-

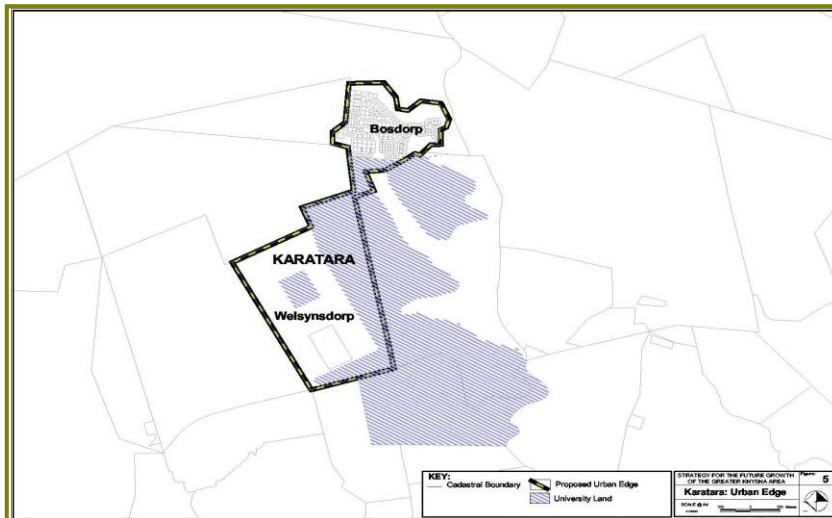


Source: Draft Spatial Development Framework

The only provision for the expansion of Sedgefield is a small corner to the west of Kola Beach, a single row of properties along the north of Kabeljou Street and a narrow section of land north of the railway line. Due to the situation of this land, it is most likely that it will be privately developed.

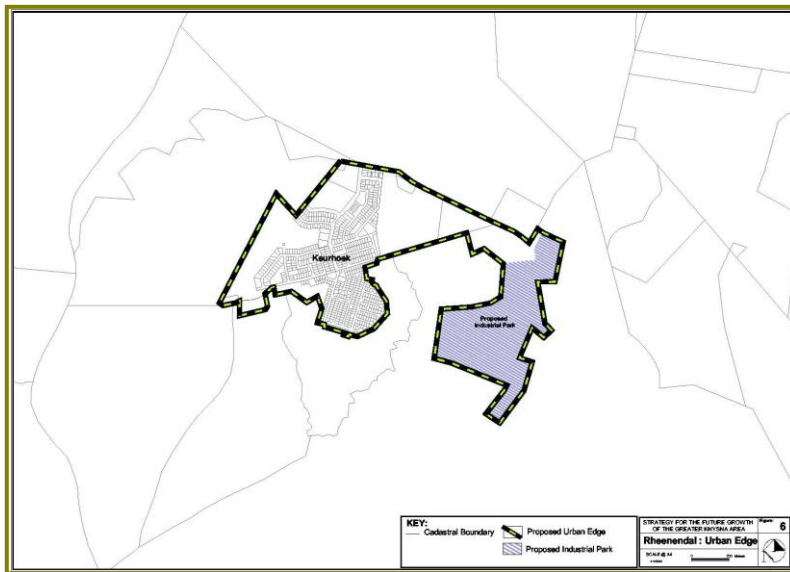
Although the Urban Edge of Karatara is not shown in the SDF, Figure 2.17 presents a possible Urban Edge for Karatara.

Figure 30: Knysna Municipality – Karatara Urban Edge



Source: Draft Spatial Development Framework

Figure 31: Knysna Municipality – Rheenendal Urban Edge



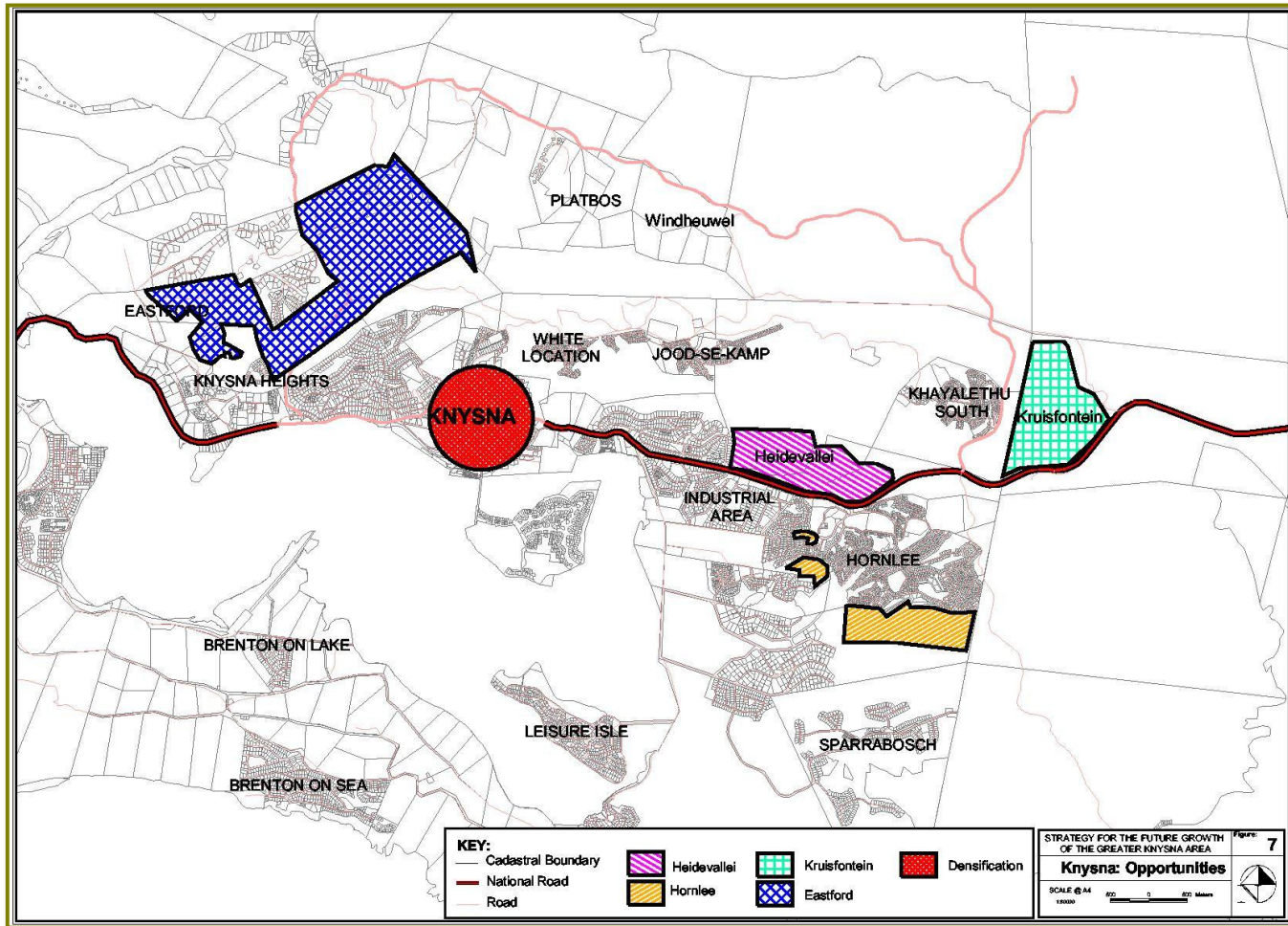
Source: Draft Spatial Development Framework

The Karatara Urban Edge includes “Bosdorp” and “Welsynsdorp” and the land east of “Welsynsdorp” and south of “Bosdorp”, where the Eden University is being developed in a way that knits the two communities together. An agreement with the Provincial Administration stipulates that subsidies will be made available for the transfer of houses to the tenants and any additional land may be developed by the Municipality. The area provides an opportunity for affordable, bonded housing.

The Urban Edge of Rheenendal is also not shown in the SDF, but Figure 2.18 presents a possible Urban Edge that encompasses the existing urban areas, the proposed industrial park and the land in between that would knit the two together.

Figure32: Knysna Municipality – Overall Development Opportunities

These are the only significant and quantifiable opportunities. However, if the infrastructure issues detailed elsewhere can be addressed successfully, there may be more opportunities in Karatara, subject to the planning and development of the university.



Source: Draft Spatial Development Framework

Table 29: Developable Land

The total number of units that it may be possible to accommodate is as follows:

Area	Households	Residents
Heidevallei	1 500	6 000
Hornlee	500	2 000
Kruisfontein	1 500	6 000
Eastford	1 500	6 000
Densification/Infill	500	2 000
Total	5 500	22 000

Source: Draft Spatial Development Framework